



The Insider

www.senate.mi.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

May 12, 2006

Welcome to the electronic version of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in. See schedule for details.

Mickey's Blog: Gas Pains

People say that we have no choice but to pay higher gas prices, but I disagree. I refuse to surrender and continue to believe that we can control our destiny in large part by our own actions. Gas prices are high now, and appear to be headed higher. I think we can bring them down through our own behavior and by making some wise investments.

Rather than complain about the cost of gas, I suggest we get mad and get determined to get even. The easiest thing to do is to slow down. I drive to Lansing up to three times a week, that's a 200-mile round trip. I drive a Saturn, which normally gets 36 miles to a gallon. I used to average 73 mph, but now I am holding steady at 60 mph. And my gas mileage has improved to 41 mpg.

Guess what?

That means I am saving nearly \$4 per fill up. And I am contributing to lower national consumption, which will increase supply and lower demand and mean less upward pressure on prices. My point is that consumers of energy are not powerless. We play a significant role.

Recently, both Democrats and Republicans in the Legislature agreed on a package of bills to develop energy independence.

The time is right for our country to make a significant change in the way we consume energy. Because we are the center of the automotive industry, Michigan is in a key position to help the country make this transformation.

Henry Ford, who virtually invented the auto industry, believed that ethanol was the logical product to power the car. Almost a century later, we just might fulfill his original vision.

There are several good reasons coming together at the same time to make this change. We have been dependent on foreign sources of oil for a majority of our supply for decades. But the downside of that dependence, with the war in Iraq, our entanglement with unsavory regimes, and the uncertainty of the

supply, is hard to ignore any longer. It is clear that greater independence would be a way to protect America's greatest value—our freedom.

It also makes good economic sense for us to develop our own resources. Rather than send our dollars overseas to purchase raw materials, we could employ our own people to produce them here. At a time when the economy is stagnant and unemployment is high, wouldn't it make sense to create an industry that gave farmers a new market for their products, that took advantage of waste and turned it into energy, and that built plants to produce fuel?

Usually we view respect for the environment and the needs of industry as exclusive and competing interests. But this time the two hold the promise of working together to solve one of our biggest problems.

Ethanol has some important environmental advantages over gasoline. It contains about 80% less environmental contaminants than gas, and it degrades quicker in water, so spills are not as harmful. With all the concern about global warming, it is comforting to note that ethanol reduces greenhouse emissions, including carbon dioxide, by as much as 46%. An ethanol fuel known as E-85 also has lower hydrocarbon and benzene emissions than gas.

E-85 is a blend of 85% ethanol and 15% gasoline, and it can be burned in about 50 different vehicle models. The modifications to current vehicles are minimal. Automakers would have to include metal fuel tanks, bigger fuel injectors, and new software on flexible fuel vehicles (FFV's) which could burn anything from 100% gasoline to E-85.

With most technologies, everything comes down to price. But as we have seen, there are already good environmental, economic, and national defense reasons to develop alternative energy like ethanol. So it is a pleasant surprise that ethanol promises to be competitive, if not even a bargain, for the consumer. The Amoco station in Rochester Hills was selling ethanol for \$2.49 a gallon and regular unleaded for \$2.79 the last time we checked. If we move toward greater production of ethanol, economies of scale should enable us to produce it even more cheaply. The world market for gasoline shows no sign of a significant retreat from its steady rise since the creation of OPEC.

Distribution is an issue, but there are new stations coming on line every day.

We already have stations selling E-85 in Dearborn Heights, Southfield, Rochester Hills and Dimondale. Meijer recently announced that 20 stations around the state will begin selling E-85, and new outlets by various retailers are coming in Detroit, Adrian, and Greenville. Congress passed legislation to double national production of ethanol in the next five years, and I predict we will far surpass that.

In Michigan, we created a tax free zone for a new \$95 million ethanol plant in Marysville, and we have two new plants slated for Barry and Calhoun counties. We have reduced the tax on ethanol from 19 cents to 12 cents until they sell 2.5 billion gallons, and then the tax would revert to normal levels. That is a wise investment in a fledgling industry which will help them grow into viability. We also created 10 new tax free zones to encourage investment in renewable energy facilities. Finally, we mandated that state vehicle depots install E-85 and biodiesel fuel pumps and that the state begin to transform its fleet into FFVs.

In the next issue of the *Insider E-newsletter*, I will publish your letters on gas prices.

Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district, including my recent show commemorating the Asian-Pacific Heritage Month.

Sterling Heights

Every Saturday and Sunday at 12:30 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times
(Comcast Channel 18)

*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

Coffee Hours

*Since my District Office is in Roseville, I do not have set coffee hours in Roseville. However, I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome to attend the coffee hours and discuss their issues and concerns.

June 5
7-9 p.m.

Location: Sterling Heights Public Library
(40255 Dodge Park)
Sterling Heights

June 26
7-9 p.m.

Location: Clinton-Macomb Public Library
(40900 Romeo Plank)
Clinton Township

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